IN THE

Supreme Court of the United States

OCTOBER TERM, 1948.

No. 114.

BEST & CO., INC.,

Petitioner,

—against—

SADIE S. MILLER, doing business under the name and style of Miller's Lilliputian Shoppe,

Respondent.

PETITIONER'S REPLY BRIEF.

I.

The only point in respondent's brief not entirely covered in our main brief is the attempt to drag a red herring across the trail by the endeavor to make this case turn on the two-court rule.

The very essence of this case is the finding of the lower courts that the phrase "Liliputian Bazaar" has come to signify in the minds of the buying public Best & Company. Under the authorities, that gives the petitioner a property right in the phrase. As was stated in the Ninth Circuit Court case, on page 19 of our brief:

> "'* * * it has of recent years been recognized that a merchant may have a sufficient economic interest

> in the use of his mark *outside the field of his own exploitation** to justify interposition by a court.'" (Emphasis supplied.)

The Second Circuit in the instant case refused to recognize this principle. That was the reason that Judge Frank in the *Triangle Publications* v. *Rohrlich*, 167 F. 2d 969, 981, said:

> "I think that anyone reading the decision in the *Best* case and the decision here will be in considerable confusion about the doctrine of confusion in this circuit. On that ground, also, it seems to me the Supreme Court should review this decision" (referring to the *Triangle* decision).

The conflict in the decisions turns on a most important point. Succinctly stated, where a merchant has for scores of years spent hundreds of thousands of dollars developing a trade mark until it comes to be wholly identified with this merchant's business, may another merchant, operating in the same market (p. 375 of 167 F. 2d) appropriate it and resist the interposition of a Court on the ground that he is a small local trader and does not really compete and cause confusion? Must a merchant who has built up this enormous good will in a trade name or trade mark permit a competitor to begin encroachments on it, which are in effect the appropriation of this merchant's property right in the trade name, and get away with it by saying in effect: "I can take away the plaintiff's watch but it really doesn't hurt him?"

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* Here petitioner seeks protection in the same business, and in an area where it was found to be first in the field (167 F. 2d 375).

The Ninth Circuit and some of the cases in the Second Circuit say that such encroachments will not be permitted. In the instant case the Second Circuit said it would be permitted on the ground of lack of proof of confusion. It is difficult to think of a more substantial or vital legal question or conflict that could be submitted for decision to the Supreme Court.

II.

Respondent makes only one other point deserving of consideration: it is claimed that petitioner is entirely unwarranted in stating that the Circuit Court distinguished between trade names of businesses and trade marks of products (Br., p. 10).

But the majority opinion below states:

> "* * * the secondary meaning which 'Liliputian Bazaar' has acquired signifies Best & Co. so that goods bearing that label are identified as coming from its store rather than from an anonymous source or from a dealer whose name the customer may have forgotten. Cases such as *Barton* v. *Rex-Oil Co.*, 29 F. 2d 474 (C. C. A. 3), where the secondary meaning denotes a product, are therefore distinguishable." (167 F. 2d 377.)

Again, in distinguishing the "aggravation" rather than "justification" rule laid down in *Menendez* v. *Holt*, 128 U. S. 514, the majority below said:

> "But it should be observed that *there* (in *Menendez* v. *Holt, supra*), *the trade-mark identified a product* and that the court found an intent to infringe." (167 F. 2d 378.) (Emphasis supplied.)

Any doubt on this subject is removed by Judge Frank's comment on the majority's—and his own—holding in this case, when he said in the *Triangle Publications* case:

> "And, just the other day, in withholding relief, we said that a plaintiff must make out an unusually strong case when his trade-name relates to a business and not to any particular product. *Best & Co., Inc.* v. *Miller,* 2 Cir., 167 F. 2d 374." (167 F. 2d 981.)

and his further statement in his dissent from a denial of rehearing in the *Triangle Publications* case:

> "In *Best & Company, Inc.* v. *Miller,* 2 Cir., 167 F. 2d 374, decided twelve days before the decision in the instant case, this court underscored the fact that 'the record was bare of a single instance of a purchaser buying the defendant's merchandise in the belief that it was the plaintiff's.'" (167 F. 2d 983.)

Conclusion.

From the foregoing it is clear that the issue in this case is not "one of fact", as claimed by respondent. The facts are clear and not in dispute. The issue is as to the legal conclusions to be drawn from them and the legal principles to be applied. It is equally clear that there is a conflict not only between the Second Circuit and other Circuits but also an avowed conflict among the Judges of the Second Circuit.

Respectfully submitted,

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